In exercise of the powers conferred by sub-section (4) of Section 17 of the said Act, His Highness the Maharaja of Mysore directs that in view of the urgency of the case, the provisions of Section 5-A of the said Act shall not apply to the acquisition of land specified below.

Mysore District, Heggaddevankote Taluk, Saragur Hobli, Basavanakote Village.

Dry, Survey No. 4—1, in the khate and anubhava of B. Subbaraje Urs, son of Nanjaraje Urs, and bounded on the North by Survey No. 4, Remaining portion, South by Survey No. 8, East by Survey No. 3 and West by Road, the area required being 11 acres and 1 gunta, assessed at Rs. 9—8—0.

No. P.W. 1880-85—Irn. 6-53-29, dated 16th June 1953.

In exercise of the powers conferred by Section 6 of the Mysore Land Acquisition Act, 1894 (Mysore Act No. VII of 1894), His Highness the Maharaja of Mysore hereby declares that the land specified below, be the same a little more or less is needed for a public purpose, to wit, Nugu Reservoir; and in exercise of the powers conferred by clause (c) of Sections 3 and 7 of the said Act, the Assistant Commissioner, in charge of Special Land Acquisition Office, Krishnarajasagar and Nugu Reservoir Works, Mysore, is appointed to perform the functions of a Deputy Commissioner, under the said Act, and directed to take orders for the acquisition of the said land.

In exercise of the powers conferred by sub-section (1) of Section 17 of the said Act, His Highness the Maharaja of Mysore further directs that the possession of the said land may be taken on the expiry of fifteen days from the date of publication of the notice mentioned in sub-section (1) of Section 9 of the said Act.

A plan of the land is kept in the Office of the Special Land Acquisition Officer, Krishnarajasagar and Nugu Reservoir Works, Mysore, for inspection.

Mysore District, Heggaddevankote Taluk, Saragur Hobli, Basavanakote Village.

Dry, Survey No. 4—1, in the khate and anubhava of B. Subbaraje Urs, son of Nanjaraje Urs, and bounded on the North by Survey No. 4, Remaining portion, South by Survey No. 8, East by Survey No. 3 and West by Road, the area required being 11 acres and 1 gunta, assessed at Rs. 9—8—0.

By Order of His Highness the Maharaja,

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No. P.W. 2142-47—Irn. 6-53-80, dated 25th June 1953.

Whereas it appears to His Highness the Maharaja of Mysore that the lands specified below are needed for a public purpose, to wit, Deviation of Hunasur Begur Road,

Notice to that effect is hereby given to all whom it may concern in accordance with the provisions of sub-section (1) of Section 4 of the Mysore Land Acquisition Act of 1894 (Mysore Act No. VII of 1894), and His Highness the Maharaja of Mysore hereby authorises the Deputy Commissioner, Mysore District, to exercise the powers conferred by sub-section (2) of Section 4 of the said Act.

In exercise of the powers conferred by sub-section (4) of Section 17 of the said Act, His Highness the Maharaja of Mysore directs that in view of the urgency of the case, the provisions of Section 5-A of the said Act shall not apply to the acquisition of the land specified below.

Mysore District, Heggadadevankote Taluk, Saragur Hobli, Kottegal Village.

Dry, Survey No. 200, in the khathe and anubhava of Mantha Gowda, son of Basavegowda, and bounded on the North by Survey No. 201, South by Survey No. 199, East by Voni, and West by Survey No. 198, the area required being 4 guntas, assessed at Re. 0—2—0.

No. P.W. 2142-47—Irn. 6-53-80, dated 25th June 1953.

In exercise of the powers conferred by Section (6) of the Mysore Land Acquisition Act, 1894 (Mysore Act No. VII of 1894), His Highness the Maharaja of Mysore hereby declares that the land specified below, be the same a little more or less is needed for a public purpose, to wit, Hunasur Begur Road doviation and in exercise of the powers conferred by clause (c) of Sections 3 and 7 of the said Act, the Assistant Commissioner, in charge of Special Land Acquisition Officer, Krishnarajasagar and Nugu Reservoir Works, is appointed to perform the functions of a Deputy Commissioner, under the said Act, and directed to take orders for the acquisition of the said land.

In exercise of the powers conferred by sub-section (1) of Section 17 of the said Act, His Highness the Maharaja of Mysore further directs that the possession of the said land may be taken on the expiry of fifteen days from the publication of the notice mentioned in sub-section (1) of Section 9 of the said Act.

A plan of the land is kept in the Office of the Special Land Acquisition Officer, Krishnarajasagar and Nugu Reservoir Works, Mysore, for inspection.

Mysore District, Heggadadevankote Taluk, Saragur Hobli, Kottegal Village.

Dry, Survey No. 200, in the khathe and anubhava of Mantha Gowda son of Basave Gowda, and bounded on the North by Survey No. 201, South by Survey No. 199, East by Voni, and West by Survey No. 198, the area required being 4 guntas assessed at Re. 0—2—0.

By Order of His Highness the Maharaja,

D. K. SRINIVASACHAR,
Secretary to Government,
2613 *Public Works Department.*

LOCAL SELF-GOVERNMENT AND PLANNING SECRETARIAT

Dated 28th August 1953.

No. L.B. 5610—L.B. 54-53-2. The following extract of Part VI (Local Taxation) of the Questionnaire issued by the Taxation Enquiry Commission, Government of India, is published for the information of all concerned.

By Order,

G. V. K. RAO,
Secretary to Government.
Local Self-Government and Planning Departments.

PART VI—LOCAL TAXATION.

185. Do you consider that the system of local taxation in India is generally satisfactory and that the need for improvement is confined to matters of relative detail?

If not, what in your view are its major defects? To what extent are they related—

(*a*) to the framework—constitutional, legal etc.—within which the system operates, or

(*b*) to the actual operation of the system?

If possible, please illustrate your reply by reference to the position as you know it in one or more States. What remedies would you suggest?

186. If the framework is defective, is any part of its inadequacy traceable to the Constitution? Please explain your point of view in some detail. In particular, would you recommend the inclusion in the State List (from which all local taxes are derived) of any taxes which are particularly suitable as items of local taxation, but which do not now figure in that List? Are some of these taxes altogether new taxes or are they included in the Union List? More specifically, have you any comment to make on the recommendation of the Local Finance Enquiry Committee that "terminal taxes on goods or passengers, carried by railway, sea or air" should be transferred from the Union List to the State List?

187. Arising from the foregoing question, what considerations would you take into account in judging the suitability of a particular tax for purposes of local taxation? In so far as a tax suitable in relation to one local body may not be suitable in relation to another, what characteristics of the local body itself, as a tax-authority, would you include among the considerations relevant for the assessment of suitability? Please relate your answer to the different categories of local bodies, *viz.*, broadly:

I. Urban.

A. City Corporations.
B. Municipalities (including Cantonment Boards).

II. Rural.

C. Local Boards.
D. Village Panchayats.

188. Assuming that the State List is or can be made, adequate, is the frame work defective in individual States in the sense that it fails, at important points, to ensure proper devolution, *i.e.*, (in this context) proper transference of tax-power from the State List to local bodies? If so,

please answer Questions 189 to 194 with reference to the actual arrangements for devolution (as they emerge from the sum-total of the relevant State laws, rules, administrative orders and administrative practices) in the particular State or States to which your comment relates.

189. Is there failure to provide for the devolution of one or more suitable taxes upon an appropriate category of local bodies? If so, please give, with reference to each such category, instances of taxes which it would be particularly suitable for that category to levy, but which, for insufficient reasons, it is not empowered to levy.

190. Is there failure to prevent the devolution of unsuitable taxes? In other words, are taxes allowed to be levied which are manifestly unsuitable for levy by the particular category of local bodies? Please give instances.

191. Is there failure to make devolution sufficiently prompt and flexible? For example: Is the procedure dilatory in actual practice? Is specific approval insisted upon where general authorisation would do? Are unnecessary conditions imposed on the power to levy? Please give instances.

192. Is there failure to make devolution sufficiently diversified in relation to the capacity of particular local bodies to exercise particular powers? Thus, do the legislation, regulation and administration, taken together, show inadequate appreciation of the distinction between—

(i) categories of local bodies: a tax-power which may be wholly unsuitable for one category may be very suitable for another;

(ii) degrees of development among local bodies of the same category: *e.g.*, a tax-power not suitable for some village panchayets may be suitable for others.

Please give instances.

193. (*a*) In respect of individual taxes, does the devolution take sufficient account of the exten to which power may be transferred, *e.g.*,—

(i) power to decide whether or not to levy the tax or
(ii) power to decide the rate of levy of the tax; or
(iii) power to assess the tax; or
(iv) power to collect the tax; or
(v) different combinations of the above.

(*b*) In the same connection, is adequate use made of the different conditions which may be attached to the powers mentioned above, *e.g.*,—

(i) condition making the levy of the tax compulsory at a stipulated *minimum rate*;
(ii) condition that the rate of levy shall be subject to a stipulated *maximum*;
(iii) condition to ensure the relative independence of the assessing agency; and
(iv) condition that a particular standard of collection shall be maintained?

(*c*) With the reference to particular taxes and particular categories of local bodies, please give instances, if any, illustrative of the following:—

(i) a power is withheld altogether, though a certain degree of power with, if necessary, certain conditions, might be transferred;
(ii) the degree of power transferred might be higher or lower; and
(iii) the conditions attached might be more restrictive or less restrictive.

194. Is the devolution defective in that there are concurrent and overlapping powers exercisable by the State Government and the local body? Please give instances and explain the disadvantages involved in actual practice.

195. (*a*) Is there, in your opinion, defective co-ordination —fiscal, administrative or other—between particular local taxes and allied State or Central taxes? Please give instances and point out the nature and order of the detrimental effect, if any, on the public or on trade, industry, etc. What remedies would you suggest?

(*b*) Does the lack of co-ordination, in any particular instance, result in unnecessary duplication of staff or other forms of wasteful administration? Does it lead to needless harassment of the tax-payer by different tax-agencies? What remedies would you suggest?

196. Apart from defects traceable to the Constitution (Question 186) or to the legal and other arrangements for devolution in individual States (Questions 188 to 194) or to inadequate co-ordination betweeen the different tax-structures, Central, State and Local (Question 195), are there any other important types of defects in the framework of the system? Please give instances. What remedies would you suggest?

197. Have you any comments to make on the proportion borne by the tax-revenue of different cotegories of local bodies to—

(i) non-tax revenue other than grants-in-aid, and
(ii) grants-in-aid?

198. Do you consider that local bodies fail to make full use of the tax resources available to them? Would you agree that they should use their powers of taxation fully before receiving further grants-in-aid as a means of adding to their resources?

199. If it was necessary to equip local bodies with additional resources beyond their powers of taxation, which of the following alternatives would you prefer and why:—

(i) transfer of additional powers of taxation;
(ii) assignment of a proportion of a tax or taxes collected by the State Government, within the area of a local body, (*a*) with the local body exercising no responsibility in respect of the tax or taxes, (*b*) with the local body exercising responsibility of different degrees, (*e.g.*, for assessment, collection, etc.) in respect of the tax or taxes;
(iii) grants-in-aid?

Please elaborate your answer with reference to the particular taxes you have in view in regard to alternatives (i) and (ii).

200. Since (*a*) lands under non-agricultural use, (*b*) buildings and (*c*) income from both these are subject to taxation by:

(1) the Union—(section 9 of the Income-tax Act).
(2) the States—(non-agricultural assessment and, in some States, urban immovable property tax), and
(3) Local Bodies,

it is sometimes contended that there is multiple taxation of the same source of income and that, in any case, there is need for correlating these different taxes into a more rational system. Do you agree with this view? If so, what scheme would you suggest for the purpose? Would you adopt a uniform basis of valuation for all the taxes concerned, Central, State and Local? What basis would you adopt: the capital value of the property or its annual rental value?

201. If the question of valuation was confined to the levy of urban immovable property tax by States and general property tax by local bodies, what basis would you adopt: capital value or annual rental value? Do you agree with the recommendation of the Local Finance Enquiry Committee that "there should be no change from the well-tried basis of rent to the more or less uncertain basis of capital value", but that where "municipalities are actually adopting capital value as the basis and there is no complaint, that basis may continue"?

202. As regards the urban immovable property tax, the Local Finance Enquiry Committee says in effect that, even though property tax generally should be left to be exploited by local bodies, it would be both expedient and suitable for the Government (i) to levy an urban immovable property tax when a municipality fails to levy a property tax in spite of a statutory obligation to do so or (ii) to continue to levy the tax when a municipality refuses to increase its property tax to the extent the State Government is prepared to reduce its urban immovable property tax. Do you agree with this view? Have you any other comments to make on the urban immovable property tax? If you consider it a suitable form of taxation for the States, what modifications, if any, would you suggest in regard to exemptions, rates of levy, mode of assessment and procedure for collection?

203. What principles would you recommend for adoption in regard to the general property tax? Would you exempt rental values below a particular level? How would you deal with the properties of owner-occupiers or of charitable or

educational trusts or of co-operative housing societies? What remissions, if any, would you give for vacancies? So far as new buildings are concerned, would you recommend exemption for the first few years after construction, with a view to encouraging house-building?

204. Should property tax be progressive? If so, how and to what extent?

205. What categories of local bodies should be empowered to levy property tax? What should be the extent of the power in each case, and what conditions, if any, should be attached to the exercise of the power?

206. Have you any suggestions to make in regard to the administrative machinery and procedure for the assessment and collection of the property tax in relation to the different categories of local bodies?

207. In so far as certain taxes usually known as "service taxes"—*e.g.*, water, lighting, drainage and conservancy taxes—are levied along with, and on the same basis as, the general property tax by certain local bodies, what suggestions, if any, would you make in regard to the rates of levy, collection etc., of these taxes? Have you any comments to make regarding property and service taxes *vis-a-vis* port trust properties, railway properties, other properties of the Central Government and properties of State Governments?

208. Do you consider that the system of local fund cesses (*viz.*, cesses on land revenue, collected by the revenue administration and handed over to local bodies) is satisfactory in its operation? If not, what alterations, if any, would you suggest? Please deal with local boards and village panchayats separately, and specify the individual State or States to which your reply relates. In particular:

(i) Are minimum and/or maximum rates of levy laid down? Are they, in your opinion, either too high or too low?

(ii) To what extent are the cesses ear-marked for different purposes (*e.g.*, Road cess, Education cess, etc.,)? Would you extend orcurtail the system of ear-marking? Should there be a general cess in addition to ear-marked cesses? In what circumstances?

(iii) To what extent do suspensions and remissions of land revenue affect the collection of the cesses? Have you any suggestions to make in this connectio ?

(iv) Please deal with any special problems connected with local fund cesses in—

(*a*) Part B and Part C States,

(*b*) areas in which Zamindaris are newly abolished.

209. Please state your views on the relative merits of octroi and terminal tax, in one or more of the forms in which they prevail in different parts of the country, from the stand-point of—

(i) the local body concerned: *e.g.*, revenue derived and, in comparison with it, cost of collection, size and complexity of administration, scope for evasion, etc.;

(ii) the person who pays the tax: certainty as to amount payable and convenience of collection; and

(iii) the trade, the consumer etc., : incidence and effects of incidence, in so far as these can be broadly assessed.

Are octroi and terminal tax mutually exclusive systems, or would it be permissible and desirable, in certain circumstances, to combine the two systems?

On an examination of the relative merits of (*a*) octroi (*b*) terminal tax and (*c*) any desirable form of combination of the two, which particular alternative would you recommend for general adoption by local bodies? Do any constitutional or legal difficulties stand in the way of implementing your suggestions?

210. Does your examination lead to the conclusion that both octroi and terminal taxes are unsuitable as forms of local taxation and should, therefore, be abolished? If so, what substitutes would you recommend? Do you consider the suggestion that local bodies should be allowed to levy surcharges on sales tax feasible and desirable?

211. If your suggestions involve certain modifications in the prevailing forms of octroi or terminal tax, what are the changes you would recommend?

212. What rates of levy, exemptions, procedure for collection and for refunds and arrangements, if any, for "bonding" would you suggest?

213. Should the basis of assessment for octroi be *ad valorem* or by weight, etc.? How would you provide against procedural delays and difficulties?

214. Would an extension of the nationalisation of motor transport make it possible to adopt a simpler and more effective system of terminal taxes on goods transported by road?

215. Have you any suggestions to make in regard to the better correlation of octroi or terminal tax with allied forms of State and Central taxation, such as, sales tax, excises and customs?

216. Taxation on goods carried by road is only one of the items covered by entry No. 56 of the State List, *viz.*, "taxes on goods and passengers carried by road or on inland waterways". Have you any comments or suggestions to make in regard to the utilisation of this entry for purposes of local and/or State taxation?

217. Should the "pilgrim tax" levied by certain local bodies be more widely adopted? Do you consider that a suitable form of taxation on the floating population in the bigger cities can be devised?

218. What are your views regarding the desirability and feasibility of a "poll tax" as a form of local and/or State taxation?

219. (*a*) Have you any suggestions, not already covered by your previous answers (*e.g.*, on motor vehicles taxation), to make regarding the levy of taxes on vehicles, animals and boats for purposes of local and/or State taxation?

(*b*) Do you consider tolls a suitable form of local and/or State taxation? In what circumstances?

220. The Local Finance Enquiry Committee recommends that the limit of Rs. 250 placed on profession tax by the Constitution should be raised to Rs. 1,000. Do you agree? Would you recommend the wider adoption of profession tax by local bodies and/or State Governments? Which categories of local bodies may suitably levy it, and with what safeguards? Should the levy be compulsory in certain cases, and if so, at what minimum level? What modifications, if any, would you suggest in the prevailing forms of levy of this tax? What steps would you take for its better correlation with income-tax from the point of view of incidence or for purposes of administration, etc.?

221. Certain local bodies/States levy a "theatre tax" (on each performance, *e.g.*, each cinema show) under entry No. 33 of the State List. This is in addition to the entertainment duty levied by the State Government under entry No. 62 of the State List. What are your views on the suitablity of this tax for more general adoption?

222. Have you any suggestions to make regarding the levy of betterment taxes by different categories or local bodies (*e.g*, by a municipality in connection with town improvement)?

223. Have you any comments or suggestions to make on any items of local taxation not covered by the foregoing questions?

224. Have you any general suggestions to make regarding the fuller utilisation of their tax resources by different categories of local bodies?

225. Have you any general suggestions to make regarding assessment and collection of taxes by different categories of local bodies with a view to making the administration in this respect more efficient and more economical?

226. What problems, if any, not covered by the foregoing questions, are special to Part B States? Please state how you would deal with them.

227. Have you any comments, not already covered by your answers, to make on recommendations of the Local Finance Enquiry Committee in so far as they are relevant to local taxation?

228. Should provision be made for manual labour being contributed (*a*) as an additional tax or (*b*) in payment or part-payment of an existing tax, to one or more categories of local bodies or to State Governments, in furtherance of specific local development or, generally, of the development programme of the country? What, in your view, are the possibilities and implications of the suggestion?